



Submitted via email only infopdp@maps.org.uk

30 August 2022

SPP response PDP consultation: standards, specifications and technical requirements

We welcome the opportunity to respond to this consultation. SPP and its members remain supportive of pensions dashboards and believe they have an important role to play in the way that savers engage with the pensions industry and make effective decisions.

Key messages

In our view, many of the questions raised in this consultation have no right and wrong answers. The solutions being proposed largely seem reasonable but until they are tried out using real data and structures, it is not possible to say for certain whether they are the best solution or not. It is likely that not everything will work perfectly at the first attempt and some standards may need to be reviewed and amended in order to get to a longer term stable dashboard. This improvement phase should be planned for.

The commentators from SPP member firms who contributed to this response have done so from the viewpoint of pension schemes and providers. We note that it will be important for PDP to ensure that appropriate input has been received on this consultation from Integrated Service Providers and potential Qualifying Pensions Dashboards.

Detailed questions

Code of Connection

Operational Standards

Do any of the proposed requirements pose a specific problem for your organisation, if so, what?

Due to the nature of SPP, this question is not applicable.

Security Standards

Are there any areas that you consider are missing from the code of connection?

We have no comment on this question.

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Service Standards

Do the proposed service levels seem reasonable for a digital service?

We consider that the requirement to respond to a view request within 2 seconds is an unnecessarily tight requirement. We believe that anything up to 10 seconds would be reasonable for a member to wait for information to be shown. As part of the Design Standards, consideration should be given on what should be presented to users while the view information is being obtained. Many websites have ways of making a wait feel shorter, such as an icon building in time or a helpful message “we’re searching high and low for your pensions, we are nearly there!”.

Connection guidance

CoCo 2.1.3 requires view request responses within 2 seconds. This prioritises a fast response for the consumer. It may, however, create a barrier to calculating real time values for some providers. We would be particularly interested in views on this approach.

It does seem likely that requiring a response within 2 seconds would limit the ability of providers to provide any real time information as part of a response.

Do the proposed steps for connecting to the dashboards ecosystem directly seem reasonable?

The steps do seem sensible if demanding. Relying on one primary business contact does seem to present something of a risk as that individual won’t always be available due to holidays or illness. It may be better to allow that role to be shared over a suitable number of people.

Do the proposed steps for connecting to the dashboards ecosystem (via a third-party connection) seem reasonable?

Yes, although it will be important to ensure that “scheme” and “provider” are properly defined in this context. By way of example, some of the questions that follow use the term “provider” when perhaps “scheme” is meant. We have answered these questions accordingly.

Does the proposed timeframe for completing these steps to connect seem reasonable?

Yes – although we think it is important that the standards / guidance do not understate the significant work that will be involved in connecting a provider’s existing database to their chosen ISP service.

Is it clear what pension providers/their third-party ISPs (Integrated Service Providers) or dashboard providers will need to do to connect?

Yes.

Is there any additional guidance you need in relation to connection? And if so, what?

We have no comment on this question.

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Data

Data standards Usage Guidance

Are you confident that the proposed data standards adequately cover the benefit structure of all pension providers? Can it express the correct values to all savers? If not, please share a brief description of the relevant benefit structure?

This is an example of where ‘schemes’ rather than “provider” might have been meant.

The history of DB pension provision in the UK has produced a wide variety of benefit structures and we think that it will be difficult to create definitive standards that will cover every eventuality. The standards provided will be workable for the vast majority of benefit structures in common usage but there are always likely to be exceptions. We have previously shared with DWP and PDP examples of cases where providing a meaningful ERI is likely to be complex. Some of the more commonly found examples of this include:

- Members with tranches of benefit with different Normal Retirement Ages due to the consequences of the Barber judgment.
- Members who have postponed retirement beyond their Normal Retirement Ages and where the late retirement increases that are applied to the pension are not guaranteed or are related to market conditions at the point of retirement.
- Members where an adjustment has to be made to the member’s pension at retirement to reflect the use of the “scheme pays” facility for Annual Allowance Charge.

We think that it will be impossible to capture every nuance of every benefit structure in standards. The standards should set out what is required in principle. Industry guidance could then assist schemes and providers on how to apply the standards to the more commonly found complexities. SPP would be happy to contribute to any such guidance.

It may need to be accepted that there are going to be some rare situations where a meaningful ERI or accrued pension cannot be provided. In particular we think benefit structures where the benefits in one arrangement depend on the benefits paid from another arrangement will always be problematic.

We have concerns around how data for DB schemes with tranches of benefits calculated with reference to different Normal Retirement Ages (for example as a result of the Barber judgment) would be displayed on dashboards, particularly where the scheme rules require all of the benefits to be taken at the same time. Example 4.5 in the data usage examples would give the user the impression that they could start receiving their pension in 3 instalments which the scheme rules would not permit. How to provide data in a way that results in information being displayed in a way that is appropriate to the scheme could be picked up in the guidance mentioned above.

Are the values allowed for the accrued (2.3xx) and ERI (Estimated Retirement Income) (2.4xx) warnings sufficient? Are there any other common reasons or scenarios you think these warnings should cover (bearing in mind we cannot support scheme-specific warnings).

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We think that the warnings are sufficient for a broad brush starting point – but as noted in the standard will need refining during testing. It is likely that necessary warnings will only be identified once testing is done with real data.

Would the ability to add a short piece of free text to cover pension provider specific issues be workable for you, or introduce a new burden? If so, how many characters would be required and what topics would it cover?

This is another example of where “schemes” is probably meant.

If it is not mandatory to include text then it will not place an additional unwanted burden on anyone. There may be scheme or employer specific issues which such a note could cover (e.g. where a figure has been calculated pending the resolution of an ongoing backdated salary negotiation).

The ability to provide some free text may allow providers to display information that will minimise unnecessary follow up contact with the scheme administrator.

It is likely that number of characters and topics that would be covered is something that would become clearer during testing with real data. The message needs to be long enough to impart the information the scheme wishes to get across but short enough that the dashboard user is likely to read it. A useful starting point might be to look at Twitter which we understand currently allows 280 characters per message.

Without a new unique reference to link two pension elements together, the benefit values may get presented separately in a dashboard. Would the requirement for a scheme to create that new reference and share it with their other administrators be more onerous than dealing with any potential downside from not presenting the benefit values together onscreen?

If the ability to link elements (and it should be noted that it may be necessary to link more than 2 elements together) via a linking number is set out from the outset then that does not seem particularly onerous for those schemes and providers who wish to use it and we think it would be helpful to dashboard users when used. However as we have alluded to above displaying the elements together may not fully demonstrate the interaction between the various pension elements.

An additional or alternative option could be to have a warning code that the benefits are linked to another arrangement and the individual should contact the administrator if they want to understand their total benefits. The code could then cover a variety of situations, for example, where members have top-up benefits in a different scheme.

Design

Design Standards: Call for Input

Do you have any challenges (or support) in relation to our developing policy on design standards?

The overall approach seems sensible. This is the first time that pension providers have been required to display data relating to their scheme in a format that they do not have control over – therefore it is likely that comments will emerge once a draft of the standards is available.

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One thing that will be important is that the design of the dashboard allows users to understand the data they are seeing. If they cannot, they may contact the administrator of the scheme which provided the data, who may only be able to provide limited help as they will be able to see the data which they have provided to the dashboard but will not be able to see how it has been presented to the end user. We would suggest requiring a dashboard to provide a readily accessible link to a Frequently Asked Questions page to help users understand what they are seeing.

It is difficult to be definitive without seeing a sample view, but we are concerned that the Summary display described on page 14 of the Call for Input document contains a lot of information and could appear quite complex to users – particularly where they have a larger number of pension pots. This degree of complexity may be suitable when viewed on a computer with a large screen – but will be less suitable if users choose to access the dashboard via a device with a smaller screen such as a phone or tablet. Extensive user testing will be required to assess what level of detail in the Summary view is appropriate to users and whether different approaches may be required for different devices.

We note that it is proposed that the Summary display will include the name of the employer provided in respect of each returned pension. This may not be overly helpful for dashboard users in many cases, and may indeed cause confusion, for the following reasons:

- The name of the employer that employed the individual when they built up the pension may not be known (this is often the case where members are in a particular scheme due to mergers and acquisitions which have taken place over the years).
- The name of the employer may have changed (possibly several times) since the member left that employment and the individual may not recognise the current name of the employer.
- The name of the employer held by the pension scheme may relate to a group of companies rather than the specific employer the individual worked for.

We therefore think that extensive user testing with real data will be required to determine whether having an employer name in the summary view will be helpful to users.

Do you have any evidence to support your input?

We have no comment on this question.

Have we omitted any issues in developing our policy on design standards?

We have no comment on this question.

Do you agree with our approach to design standards principles and assumptions?

We have no comment on this question.

In you or your organisation's experience (please provide evidence if you are able), are there any important principles or assumptions missing in our approach?

We have no comment on this question.

Are we right to favour the user over the QPDS where there is any conflict between their needs?

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It is difficult to comment without a specific example of where such conflict arises – however if such conflicts exist it will be necessary to balance the user’s needs with the overall requirement to have a stable dashboard system.

Reporting

Reporting Standards

Please provide comments on our overall breadth of information required.

The amount of data requiring to be reported seems extensive, but it is difficult to comment on the necessity of it without understanding the use to which it will be put.

Are there any technical barriers to you in supplying the reporting data?

We note there is a requirement on providers to report information on complaints “related to pension dashboards”. We think guidance would be required on how to determine when a complaint was related to pension dashboards and when it was not. For example would a member complaint disagreeing with a value displayed on a dashboard count as a complaint related to a dashboard? Would a member asking a provider about another provider’s information on a dashboard that they disagreed with count as a complaint related to a dashboard? Would a business-as-usual complaint from a member which mentioned the dashboard need to be reported even if the dashboard was not relevant to the complaint?

Are there any barriers to providing both the auditing and monitoring data feeds in mostly near real time?

We have no comment on this question.

Management information and oversight data is to be provided daily. Do you have any alternative suggestions which would achieve our aims?

We have no comment on this question.

The transport method for data is to push data to an API housed on the central data architecture API gateway. Do you perceive any risks with this approach?

We have no comment on this question.

Technical

Overview Guidance

Do any of the proposed requirements pose a specific challenge for your organisation?

Due to the nature of SPP, this question is not applicable.

API (Application Programming Interface) Standards

Are there any areas where further detail is needed?

We have no comment on this question.

Do the proposed service levels seem deliverable for your organisation?

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Due to the nature of SPP, this question is not applicable.

Do the proposed timeframes seem reasonable?

We have no comment on this question.

Is there any more guidance you need in relation to these requirements?

We have no comment on this question.

Early Connection

Early connection Guidance

Do you consider the notification requirement to be reasonable?

The requirements seem reasonable.

Do you consider the minimum requirement for at least a month's extension (for schemes with an existing date) to be reasonable?

This seems reasonable.

Governance

Setting Standards

Do you have any comments on the change process and timeframes?

It will be important to recognise that not everything related to dashboards will be right initially and to allow for improvements to be made. It will be equally important to recognise that once those changes are identified providers need to be given adequate time to implement them.

Do you agree with our definitions of major and minor changes to the standards?

We have no comment on this question.

Consultation Document

Are you clear on the differences between standards, statutory guidance and recommended practice?

The definitions seem clear.

Response ends

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Yours faithfully

Stuart Reid

Chair, Administration Committee, SPP

Fred Emden

Chief Executive, SPP

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